A Conceptual Model of Customer Experience Quality and the Development of a Scale for Customer Experience Quality (EXQ)

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Marketing literature suggests that high-quality service is the antecedent of customer purchasing and re-purchasing behaviour in service industries. In order to assess service quality, research advocates the use of objective measures. SERVQUAL is still the most popular and widely used measure of service quality. It is criticised for its conceptual, methodological and interpretative flaws. One of the major concerns raised by researchers is that SERVQUAL measures purchase intent, but not behaviour. Researchers call for a measure closing this gap by delivering a marketing scale connecting service quality with purchasing and re-purchasing behaviour. Literature indicates that the phenomenon of customer experience could be the foundation to explore this important relationship.

Keywords: Customer Experience, Service Quality, SERVQUAL, Experience Quality EXQ, Consumer Behaviour, Strategic Marketing

The well-documented management paradigm shift from goods-centred to service-dominant logic (Brodie, Glynn & Little 2006; Lusch & Vargo 2006), identifies the differences between marketing services and goods, the latter the traditional domain of marketing scholarship (Shah, Rust, Parasuraman, Staelin & Day 2006). This shift exposed the need for companies to deliver a high service quality in order to retain their customers (Anderson, Fornell & Lehmann 1994).

Superior service quality has been found to increase favourable behavioural intentions and decrease unfavourable intentions (Rust, Lemon & Zeithaml 1994), increase customer satisfaction and loyalty (Westbrook 1988), leading to repurchase and recommendation (Mittal & Kamakura 2001), improved organizational performance (Heskett, Jones, Loveman, Sasser & Schlesinger 1994) and increased profits (Sureshchandar, Rajendran & Kamalanabhan 2001). Service quality research identifies the key role of employees and internal communication in the delivery of service (Roth & Jackson 1995; Sureshchandar et al. 2001).
SERVQUAL

In order to manage their service quality, service firms need to measure it and understand its connection with important customer outcome variables. Managers are aware of the importance of measuring the impact of marketing activities on their business performance (Anderson et al. 1994). Customer-focused measures, such as service quality, focus on the important outcomes of shareholder and customer value (Boulding, Staelin, Ehret & Johnston 2005; Payne & Frow 2005). Assessing the quality of service and its impact on customer behaviour has to be measured in an objective way (Parasuraman, Zeithaml & Berry 1988). SERVQUAL was introduced in 1988 by Parasuraman et al. to address this need (Morrison Coulthard 2004). SERVQUAL, despite its critics, remains the focus of the service quality literature and the most researched and applied measure (Buttle 1996; Morrison Coulthard 2004). SERVQUAL’s scale development process was based on Churchill’s (1979) framework for developing measures of marketing constructs. It measures the differences between expected and perceived service quality, which, as Parasuraman et al. claim, can be used to ‘better understand the consumer, and as a result improve service’ (1988: 30) and service quality. SERVQUAL is founded on the belief that satisfaction is the foundation of retention, i.e. purchasing and repurchasing behaviour and service quality is the antecedent of satisfaction (Anderson et al. 1994). However, some scholars have challenged these relationships (Buttle 1996; Keaveney 1995; Reichheld 1993).

While customer satisfaction is identified as an antecedent of customer loyalty and repurchase behaviour, current literature can neither fully address why satisfied customers do not always repurchase nor why non-satisfied customers often repurchase (Jones & Sasser 1995; Keaveney 1995; Pine & Gilmore 1998). Based on a research study in a retail context, Seiders, Voss, Grewal & Godfrey (2005) propose that the relationship between consumer satisfaction and repurchasing behaviour is moderated by consumer, relational, and marketplace characteristics. In addition Mittal and Kamakura identify that consumers
reporting strong purchase intent often fail to act upon it, suggesting that SERVQUAL’s focus on repurchase intentions alone, ignoring the key relationship between intention and actual behaviour, is problematic (Bolton 1998; Kamakura, Mittal, de Rosa & Mazzon 2002; Mittal & Kamakura 2001). Most of the research concerned with the correlation of service quality and repurchase focuses on the repurchase intention versus the actual repurchase behaviour, which could lead to significant inaccuracies if there are measurable differences between intention and actual behaviour (Bolton 1998; Mittal & Kamakura 2001; Kamakura et al. 2002) or if the estimates of the association between self-reported satisfaction and intentions is inflated through the common method variance (Morwitz & Schmittlein 1992; Bolton 1998). Furthermore, as Mittal and Kamakura point out in their 2001 paper, satisfaction levels between customers reporting a positive intent can differ significantly from customers acting upon this intent. Seiders et al. (2005) explain these variations with a framework that describes why two customers with the same, or different, satisfaction level engage in different, or the same, repurchasing behaviour in a retail context. Furthermore, according to Chandon, Moritz & Reinartz (2005), the validity of repurchase intentions varies significantly from the type of purchase, ranging from convenience goods to infrequently purchased durables. Lemon, White & Winer (2002) report significant satisfaction-repurchase differences between contractual services and discrete, recurring purchases with an environment of low switching costs and the customer’s freedom of choice to divide their business between different organisations (Rust, Lemon & Zeithaml 2004). Seiders et al. (2005: 27) identify an important assumption of the SERVQUAL framework: ‘that satisfaction positively influences both repurchases intentions and behaviour.’ However, they suggest that marketplace characteristics moderate the effect of satisfaction on objective repurchase behaviour but not on repurchase intentions.’ Consumers often fail to address these effects in predicting their future behaviour, thus compromising their ability to predict actual repurchase behaviour (Seiders et al. 2005). Shugan’s (1980) research on consumers as ‘cognitive misers’, which describes the consumers’ inability to consider intervening characteristics such as the influence of unemployment on future purchasing decisions, substantiates the claim about the reliability of repurchase behaviour intentions.
Morrison Coulthard concludes that ‘the problems associated with SERVQUAL may be more serious than is generally acknowledged’ (2004: 491). Parasuraman et al. made considerable changes to SERVQUAL in 1991, yet these changes do not adequately address the criticisms raised by the literature (Buttle 1996; Cronin & Taylor 1992; Morrison Coulthard 2004). SERVQUAL still has major flaws and more work needs to be done before a reliable measure will be available (Asubonteng, McCleary & Swan 2005) exploring the important relationship between service quality and purchasing behaviour (Buttle 1996). As Robinson (1999) states ‘perhaps it is time to recognise that SERVQUAL has been just one contribution, albeit an important one, in the evolution of an understanding of service quality and its measure.’ This, however, indicates that we are still in the process of evolution, but evolution towards where?

**CUSTOMER EXPERIENCE**

Some researchers suggest that customer experience is the construct missing in order to deliver a measure of service quality and address the existing limitations of SERVQUAL. While on one hand research warns about the interpretation and data deriving from measures in general (Liljander & Strandvik 1997), others point out that the current conceptualization of service quality is based on a flawed paradigm and should be measured as an attitude instead (Edvardsson 2005; Bolton & Drew 1999). Yet one major trend emerging from the literature is that the missing piece to create a better measure could be found by integrating the construct of customer experience\(^1\) as one of the determining factors of perceived service in the measure of service quality (Seiders et al. 2005; Johnson & Mathews 2000) because the experiential factors are being identified as a possible key ingredient in a superior measure of service quality (Lee & Lin 1999).

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\(^1\) While there is a differentiation between consumers (B2C) and customers (B2B) in the literature, the experience literature in most cases refers to the ‘customer experience’, even in a B2C context, hence we will use the term ‘customer experience’ throughout the document.
The definitions of customer experience are truly broad, ranging from a customer’s actual and anticipated purchase and consumption experience (Fornell 1992; Andersson et al. 1994), a distinctive economic offering (Arrusy 2002), the result of encountering, undergoing or living through things (Schmitt 1999), to the notion of a new, experience seeking consumer (Prahalad 2000) as co creator of value and experiences (Berry, Carbone & Haeckl 2002; Hoch & Deighton 1989). The latter indicates the influence of customer experience on experiential marketing strategies (Berry et al. 2002), but also establishes the importance of customer experience in a consumer goods context (Boyer & Hult 2006). Further definitions describe the customer experience as value-adding interactions of customer involvement and producer participation (Berry et al. 2002). MacMillan and McGrath (2001) state that customers experience products and services before, during and after, sometimes even far after the product or service was purchased.

Customer experience is divided into two categories, the first being the actual functioning of the goods or the service, evaluated by the logical part of our brain, while the second category includes the emotional part of the customer experience, such as sights and sounds of the services and goods as well as the environment in which the interaction with the services or goods takes place (Ledoux 1996). The emotional part of the customer experience is further subdivided into the “mechanics” (experiences through things) and “humanics” (experiences through people). Functionality is essential to a purchasing decision, because if something is seen as unreliable or non-functional we will simply not buy it. The “humanics” experiences are, however, as important to the buying decision and have to work synergistically with the “mechanics” (Berry et al. 2002). Zaltman (1997) states that ‘Consumer preferences and motivation are far less influenced by the functional attributes of products and services than the subconscious sensory and emotional elements derived by the total experience’, emphasizing that customer value cannot be reduced to the simple ‘functionality versus price’ formula.
Consequently, offering high-quality goods and services alone is not sufficient. Organizations have to compete on a more complex level by creating a satisfactory customer experience through all stages of the buying process, managing the customer’s expectations and assessments before, during and after the buying process (Berry et al. 2002). Customer experience could predict consumer behaviour through its emphasis on the magnitude of all direct and indirect encounters between consumer and the company (Berry et al. 2002; Prahalad & Ramaswamy 2004). Research already links customer experience to customer loyalty (Haecarl, Carbone & Berry 2003; Mascarenhas, Kesavan & Bemacci 2006; Reichheld & Markey 2006), customer satisfaction (Burton, Sheather & Roberts 2003; Pullmann & Gross 2004), recommendations and positive word of mouth (Pine & Gilmore 1998). The dimensions of customer experience are suggested to be the guide for all service encounters (Prenshaw, Kovar & Burke 2006). Hence customer experience could also address the criticism of existing service quality measures, namely that they are excluding the critical emotional aspects of the service encounter (Liljander & Strandvik 1998). Schembri (2006) concludes that customer experience is the key determinant of service quality evaluation, in consequence the final concept of perceived service quality (Schneider, White & Paul 1998). Schembri and Sandberg (2002) affirm that customer experience addresses the flaws of dominant service qualities theories successfully by understanding the services constituted in the customer experience (Schembri 2006), hence being capable of predicting customer behaviour through its emphasis on the magnitude of all direct and indirect encounters between consumer and the company (Berry et al. 2002; Prahalad & Ramaswamy 2004).

Marketing literature also indicates that there are other constructs, such as e.g. perceived value, that explain consumer behaviour even better than experience (Woodruff, 1997), and we acknowledge this importance by choosing a conceptual framework capable of exploring other possible constructs (Zeithaml 1988). However, the focus of our research is to explore the important relationship between service quality and purchasing and re-purchasing behaviour. To do this, we will develop a new empirically grounded measure of service quality based upon the phenomenon of customer experience. It has been
suggested that this measure could also be sufficient enough to predict future consumer purchasing and repurchasing behaviour. Following that argument, our research aims to address the lack of empirical studies examining consumers’ perceptions of customer experience and its relationship to purchasing and repurchasing. In addition we aim to fill the reported lack of existing multidimensional scales to explore this relationship.

To address this task we choose a conceptual framework capable of exploring the attributes of the customer experience. The resulting measure of customer experience quality EXQ, by including the experiential factors of the consumption and service encounter experience could address the marketing literature criticism of SERVQUAL’s focus on only the functional aspect of the service-delivery process, which does not deliver for accurate evaluations of service quality (Mangold and Babakus 1991). Measuring functional (the process, ‘how’) and technical (the outcome ‘what’) aspects together accounts for more variation in choice behavior. EXQ will most likely include other components having a great impact on service quality, such as emotions (Liljander and Strandvik, 1997).

**CONCEPTUAL FRAMEWORK**

Our phenomenon of interest is customer experience, a construct that despite being “real”, is hard to observe directly. Therefore we will try to understand this reality by observing the outcomes of the customer experience, i.e. purchasing and repurchasing behaviour attributes in order to explore the relative importance of the experience attributes in this process. According to Garcia and Quek (1997: 544), considering the researcher’s choice of methodology is ‘not so much a problem of how many methods we employ or if those are of a quantitative or qualitative nature, but the ability to identify the philosophical and theoretical assumptions that lead to the choice of appropriate methodology.’ This statement outlines
the critical realist philosophy emphasizing the important relationship between philosophy and methodology (Bhaskar 1978, 1979) as ‘a philosophy for, not just of science’ (1991: 141). In the critical realist sense the construct customer experience requires the acceptance of what is defined as real structures and mechanisms which researchers progressively uncover during the process of research. The key aspect of our research is to identify that the causal mechanism in a social phenomenon (the influence of the customer experience on purchasing behaviour) is grounded in the realist philosophy, acknowledging ‘attempt to preserve a “scientific” attitude towards social analysis at the same time as recognizing the importance of actors’ meanings and in some ways incorporating them in the research’ (Layder 1993: 16). Subsequently, in order to examine the consumer’s individuality in depth while still producing quantifiable results we will use a ‘means-end’ chain approach (Zeithaml 1988). The linkages between attributes of the customer experience and purchasing consequences are the means-end chains, the mental connections that link the different levels of knowledge. Thus, this approach will help us to understand the customers’ decision processes driven by the customer experience (Olson & Reynolds 1983; Young & Feign 1975). Customer experience influencing features associated with the core evaluation process of the experience, especially the perceptual attributes, by their nature more ‘experiential’ than technical, will build the dimension for the EXQ scale. In addition, the perceptual attributes should be chosen over the technical aspects because of their capability to capture more enduring evaluative aspects, arguing that while technical aspects of the experience will change through e.g. advances in technology, the more abstract perceptual attribute, the core, so to say, will not change as focus of the evaluation of the experience (Parasuraman, Zeithaml & Malhotra 2005). Furthermore, these perceptual attributes and the resulting dimensions can be evaluated on a scale, while technical aspects are often judged on an existing or non-existing base. Therefore, perceptual-based dimensions will not only deliver assessments of particular dimensions, but also be more specific and capable of delivering more insight about the parts of the experience in ‘need of improvement’. The relationships between the processes of evaluating the customer experience and its consequences build a solid underpinning to verify
the validity of a construct consisting of perception based attributes items such as EXQ (Parasuraman et al. 2005). Hence, the measure of EXQ can empirically investigate the effects of the dimension level scores (perceptual attributes) on constructs such as perceived quality and subsequently purchasing and re-purchasing behaviour (Insert Table 1 here). The corresponding methods to accomplish this task are described in the following paragraph.

METHODS

We will investigate the dimensions of the consumer-based customer experience construct, and their influence on the consequences of the evaluation of this experience quality on purchasing and re-purchasing behaviour, in a service context. Drawing from an existing multidimensional scale, SERVQUAL, we will conduct exploratory research to develop a new multidimensional consumer-based service quality measure based on the customer experience for service firms, which will subsequently be measured, validated and applied. The methods used to build the scale for Experience Quality ‘EXQ’, as outlined in the following Scale Development section, will follow Churchill’s (1979) approach, the guidelines to develop psychological tests and scales (Loewenthal 1996), and integrate the findings with other customer-focused marketing and service quality scale developments, such as, Walsh and Beatty (2007) and Parasuraman et al. (2005) to ensure the highest possible quality.

Scale Development

Scale Generation and Initial Purification

To articulate the meaning and the domain of Experience Quality EXQ based on the literature, the initial stage of our research is exploring the perceptual attributes of the customer experience through in-depth interviews using the soft laddering technique. The laddering technique is the standard method for assessing cognitive structures within the means-end paradigm (Gengler & Reynolds, 1995). Soft laddering is a technique of using personal in-depth interviews where respondents are restricted as little as
possible in their natural flow of speech. During the laddering process interviewers ask probing questions to reveal structural relationships between attributes (“means”), consequences, and personal values or goals (“ends”). This corresponds with the view of critical realists that agents behave intentionally, which means that, to obtain a goal, an ‘agent uses a means to that end’ (Danermark, Ekstrom, Jakobsen & Karlsson 2002: 179).

**Empirical Context**

Literature suggests that the context should include only one type of purchase, because the validity of repurchase intentions varies significantly based on the type of purchase (Chandon, Morwitz & Reinartz 2005). We choose mortgage services because research suggests that a more considered purchase is more likely to display customer experience as a key determinant of customer retention (Sharma & Patterson 1999). Furthermore mortgage services are considered a single, pure service, and therefore more likely to produce significant results than a multiple service (Darby & Karni 1973; Sharma & Patterson 2000). In addition, Financial Planning Services, such as our context, are described by Sharma and Patterson (2000) as technically complex based on their nature, which is highly customized and high in credence properties, creating challenges for their clients to evaluate the expertise and performance of the service provider (Zeithaml 1988). This is of particular importance due to the fact that the customer experience has a significant influence on the choice of services high in credence properties (Patterson 2000). We chose to develop EXQ in the context of the UK mortgage experience because we believe the selection of a mortgage is an important, considered decision for most consumers. Acquiring a mortgage in the UK is a rather complex, high-impact, and time wise extended process, involving multiple customer touchpoints and service providers. The mortgage experience starts long before the actual ‘contract signing’ with the process of looking for property etc, and prolongs far beyond the contract signing. This phenomenon is described in the literature as the ‘customer journey’ (Voss, 2007).
**Sample**

Generating an initial item pool through qualitative research shall be, according to Churchill (1979: 67), accomplished with an experience survey conducted with ‘a judgement sample of persons who can offer some ideas and insights into the phenomenon’. However, there seem to be little or no guidelines on how many persons need to be interviewed in order to accomplish that task. Recent scale development literature in the service quality domain range from an absence of qualitative research, i.e. generating an initial pool of items solely through a literature review (Sin, Tse & Yim. 2005; Parasuraman et al. 2005), over non-specific descriptions, such as ‘collecting responses from business students’ (Seiders, Voss, Geoffrey & Grewal 2006: 146), to 48 interviews, out of which 30 were students (Walsh & Beatty 2007), and studies using only 28 persons (Dagger, Sweeney & Johnson 2007). The emphasis in all the above mentioned studies seems to be in creating an initial pool of items, which will then be thoroughly scrutinised through other tests. Therefore the qualitative study consists of a sufficient number of 30 in-depth interviews using the soft-laddering technique, which were conducted with 30 mortgage customers from the United Kingdom, each interview lasting between 30 to 60 minutes. The sample consists of consumers who did go through what research describes as the ‘customer journey’ (Voss 2007) of the experience, i.e. did purchase one or more mortgages in the last six months prior to the interview in order to ensure an as-precise-as-possible description of the experience and will be drawn from the following sample population (Insert Table 2 here).

**Initial item generation**

The interviews were transcribed and coded by an independent researcher and us with the support of the software NVivo, enabling us to reflect on the key themes, code and compare the data (Di Gregorio 2000). The features of the software package will allow us to code and aggregate data, enhancing the qualitative analysis of our study (Clisbee 2003). The developing items will then be assessed by marketing academics
and managers not familiar with the research by the means of a solicited email response (for marketing academics) and direct response during conferences and workshops (from managers) to assess the readability of the items. The generated pool of items will be scrutinized in reference to their reliability through the use of the qualitative Q-sort technique (Funder, Furr & Colvin 2000). Judges will be involved in a sorting procedure to produce categories, i.e. dimensions for the pool of items (Moore & Benbasat 1999). This sorting procedure will produce the categories and items (dimensions and attributes) of the scale, and items being too ambiguous to fit into one of the emerging categories will be dropped (Walsh & Beatty 2007). In the next step of the scale generation the allocation of the items and emerging categories will be examined by marketing academics and researchers to find appropriate labels for the categories. This will be accomplished by exposing them to the grouped items and asking them for a definition of their own. The final step of initial purification will be using marketing students to rate the conceptual description of the items and dimensions from ‘very applicable’ to ‘not applicable’.

Scale Refinement and Validation

To validate EXQ we will translate the findings of the qualitative enquiry into a survey questionnaire to collect data from a sufficient sample population sharing the characteristics of the sample outlined in Table 1. The collected data will be scrutinized for its validity by means of the recommended statistical analysis tools and techniques, enabling us to refine and validate the scale EXQ. The comparison of the data will determine, by the standards laid out in the research, which measure serves as a better predictor for the consumer purchasing and re-purchasing behaviour, SERVQUAL or EXQ.

A more detailed description of the EXQ Scale Development Process has been attached as Appendix A.

The findings of the qualitative and exploratory stages of the research will validate the measure of Experience Quality (EXQ). However, the aim of future research is not only to create a valid measure of customer experience, but to explore the relationship between customer experience and purchasing behaviour in a subsequent longitudinal study (Collins, 2006). A qualitative-data-
driven comparison with SERVQUAL will determine which measure can be more effective in establishing a connection between the measure and the purchasing and repurchasing. Anderson and Fornell (2000) find that it is possible to measure what cannot necessarily be observed, i.e. consumers’ future behaviour, as long as it is well explained and predicted, relating to the quality of the data and quantitative analysis.

**DISCUSSION**

Experience Quality EXQ, by overcoming the limitations of existing measurements of service quality, could deliver a new approach by exploring the important relationship between service quality and purchase behaviour, and incorporating a required holistic approach through exploring and defining the phenomenon of customer experience. Subsequently Experience Quality EXQ could deliver a solution to strategic issues such as measure, understand, operationalise and therefore manage customer experiences that managers currently lack (Klaus & Maklan 2007). Experience Quality EXQ could help managers to understand better their customers and the importance of the underlying ‘triggers’ of their customers’ purchasing and repurchasing decision, consequently allowing them to allocate resources in a more efficient way and design more effective services.
References:


**Table 1. Conceptual Framework**

Means-End Framework For Understanding the Domain and Consequences of EXQ

Concrete Cues ➔ Perceptual Attributes ➔ Dimensions ➔ Higher-Order Abstractions ➔ Purchasing and Re-purchasing

Technical Aspects influencing the customer experience ➔ Levels at which the EXQ evaluation occurs ➔ Consequences of evaluation of EXQ driving the purchasing and re-purchasing behaviour

Inspired by Parasuraman et al. (2005)

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**Table 2. SAMPLE POPULATION**

<table>
<thead>
<tr>
<th>Location</th>
<th>Sample Specification</th>
<th>Channel</th>
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<tbody>
<tr>
<td>UK</td>
<td>50% First-Time Buyers</td>
<td>50% direct with lender</td>
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<tr>
<td></td>
<td></td>
<td>50% via IFA (independent)</td>
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Appendixes:
Appendix A: EXQ Scale Development Process

Stage 1
Scale Generation and Initial Purification
- In-depth interviews using laddering technique
- Generate initial pool of items through independent coding in NVivo by two researchers
- Readability check through independent academics and managers
- Expert judges asked to assess face and construct validity
- Q-sorting to develop and test dimensions
- Label check through research experts
- Initial purification of items through managers and researchers

Stage 2
Scale Refinement
- Exploratory Factor Analysis
- Confirmatory Factor Analysis
- Assess content validity, criterion validity, and concurrent validity
- Refine scale for next stage

Stage 3
Scale Validation
- Confirmatory Factor Analysis
- Assess nomological validity
- Final EXQ Scale

Figure 1 Stages EXQ Scale Development and Validation

The Scale Development Process

I will investigate the dimensions of the consumer-based customer experience construct, and their influence on the consequences of the evaluation of this experience quality on purchasing and re-purchasing behaviour, in a service context. Drawing from an existing multidimensional scale, SERVQUAL, I will conduct exploratory research to develop a new multidimensional consumer-based service quality measure based on the customer
experience for service firms, which will subsequently be measured, validated, and applied.

The methods used to build the scale for Experience Quality ‘EXQ’ will follow Churchill’s (1979) approach, the guidelines to develop psychological tests and scales (Loewenthal, 19996), and integrate the findings with other customer-focused marketing and service quality scale developments, such as, Walsh and Beatty (2007) and Parasuraman *et al.* (2005) to ensure the highest possible quality.

Following Churchill’s (1979) paradigm, Loewenthal’s guidelines to develop psychological tests and scales, and other scale-development studies (Arnold and Reynolds 2003; Netemeyer *et al.* 1995), I will generate and extent existing measures through exploratory efforts incorporating qualitative methods.

Solomon (1994:p.38) emphasises that the ‘subjective meaning of the consumer’s individual experience, and the idea that any behaviour is subject to multiple interpretations rather than one single explanation’. This implies that to understand the individual and mutual significance that consumers link to their consumption experiences, qualitative methods are recommended (Mick and Buhl, 1992).

To articulate the meaning and the domain of Experience Quality EXQ based on the literature the first stage of my research will explore the perceptual attributes of the customer experience, which is described in the literature as a multi-faceted and rich phenomenon (Rust and Oliver, 2000) through in-depth interviews using the soft laddering technique.

The laddering technique is the standard method for assessing cognitive structures within the means-end paradigm. Soft laddering is a technique of using personal in-depth
interviews where respondents are restricted as little as possible in their natural flow of speech. During the laddering process interviewers ask probing questions to reveal structural relationships between attributes (“means”), consequences, and personal values or goals (“ends”). This corresponds with the view of critical realists that agents behave intentionally, which means that, to obtain a goal, an “agent uses a means to that end” (Danermark et al. 2002, p. 179).

Generating an initial item pool through qualitative research shall be, according to Churchill (1979, p.67), accomplished by the means of an experience survey conducted with “a judgement sample of persons who can offer some ideas and insights into the phenomenon”. However, there seem to be little or no guidelines on how many persons need to be interviewed in order to accomplish that task. Recent scale development literature in the service quality domain range from an absence of qualitative research, i.e. generating an initial items solely through a literature review (Sin et al., 2005; Parasuraman et al., 2005), over non-specific descriptions, such as “collecting responses from business students” (Seiders et al., 2007, p.146), to 48 interviews, from which 30 were students (Walsh and Beatty, 2007), and 28 persons (Dagger et al., 2007). The emphasis in all above mentioned studies seems to be in creating an initial pool of items, which then will be thoroughly scrutinised through other test. Therefore the qualitative study consists of a safely comparable sufficient number of 25 in-depth interviews using soft-laddering technique, which will be conducted with 25 mortgage customers from the United Kingdom, each interview lasting between 30 to 60 minutes. The sample will consist of consumers who did go through what research describes as the ‘customer journey’ (Voss, 2007) of the experience, i.e. did purchase one or more mortgages in the last 6 months prior to the interview in order to ensure an as-precise-as-possible descriptions of the experience and will be drawn from the following sample population (Table 2).

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The purpose of the interviews is to uncover facets of the customer experience that could be further investigated in the quantitative part of the study. The interviews will be transcribed and coded by an independent researcher and me with the support of the software NVivo, enabling me to reflect on the key themes, code, and compare the data (Di Gregorio, 2000). The features of the software package will allow the researchers to code and aggregate data, enhancing the qualitative analysis of the first stage of my study (Clisbee, 2003). The developing items will then be assessed by marketing academics and managers not familiar with the research by the means of a solicited email response (for marketing academics) and direct response during conferences workshops (from managers) to assess the readability of the items. The generated pool of items will be scrutinized in reference to their reliability through the use of the qualitative Q-sort technique (Funder et al., 2000), incorporating one group with a sufficient number of participants (Walsh and Beatty, 2007) of up to 10 managers and a group of up to 10 students as judges involved in a sorting procedure to produce categories, i.e. dimensions for the pool of items (Moore and Benbasat, 1999) and by calculating their reliability based on the similarity between the student and managerial group findings using Spearman correlation coefficient. This sorting procedure will produce the categories and items (dimensions and attributes) of the scale, and items being too ambiguous to fit into one of the emerging category will be dropped (Walsh and Beatty, 2007). In the next step of the scale generation the allocation of the items and emerging categories will be scrutinised by (suggested number based on former studies n=3) marketing academics and (suggested number based on former studies n=2) researchers to find appropriate labels for the categories by exposing them to the grouped items and ask them for a definition of their. The final step of initial purification will be using marketing students to rate the conceptual description of the items and dimensions from ‘very applicable’ to ‘not applicable’. The items will then be translated into a questionnaire.
To validate EXQ, the findings of the qualitative enquire (Stage 1) will be translated into a survey questionnaire. This online survey will be conducted with consumers of a larger sample size based on the population laid out in Table 2. While statistical relevance of the response number, i.e. sample size will be proven by running the necessary statistics, literature on the recommended response rate to validate a measurement of customer-centric, service quality-driven scales range from 215 (Sin et al., 2005; Dagger et al., 2007) to 499 (Seiders et al., 2006), hence a target rate of n=250 seems to be sufficient for the stage of refining the EXQ scale. The data collected in this stage will then be analyzed to purify and refine the scale items through the use of statistical analysis tools and techniques. In the first step, the appropriateness of the original items for capturing the dimensions of EXQ will tested using exploratory factor analysis, most likely a principal axis factor analysis with Oblique rotation. This form of factory analysis allows the dimensions to be related to each other, which is, based on the literature review, most likely (Malhotra, 1999). All correlations will be tested, and, if necessary, items with low item-to-item correlation will be eliminated, leading possibly to an evidence-driven reconfiguration. The dimensions resulting from the factor analysis will represent the original dimensions with greater prudence and will in the next step be tested by using confirmatory factor-analysis. The confirmatory analysis will investigate the model fit, i.e. item indicator and overall fit. In addition, the scale EXQ will be tested for content validity, criterion validity, and concurrent validity. Content validity is present when the items are about what you are measuring (Loewenthal, 1996), which will be confirmed by the high inter-item correlations plus the qualitative findings. Criterion validity measures the differences predicted by a certain criterion, in my research (see Table 2) the possible differences between first time, and repeat buyers, or the influence of different channels. Concurrent Validity is a test relating to the concurrence to other measurement aiming the same thing, in my case measurements of service quality, the results of the scale validation stage will deliver the answer to the question why EXQ will
be a superior measurement of service quality in terms of reliability or explanatory power. The refined dimensions and items will be further validated in Stage 3.

The measure EXQ will be tested by collecting data from a second sample through the means of an online-questionnaire, with a for validation purpose-sufficient targeted response rate of 350. The second sample data will be to assess the consistency of the underlying structure with the previous analysis (Churchill, 1979). The data collection will be targeted at a second sample size mirroring the same population characteristics (see Table 2). The data will again be scrutinized by the same confirmatory factor analysis used in Stage 2, exploring the overall model fit, factor loadings, item coefficients of determination, and the scale’s reliability (Bagozzi and Yi, 1998). To assess the nomological validity of the EXQ scale I will investigate how well the EXQ scale relates to other variables, hence in addition to the EXQ scale the second study will include customer outcome scales used in prior studies of service quality measurements and are expected to be positively related to Experience Quality, namely customer satisfaction (Maxham and Netemeyer, 2002) loyalty (Arnold and Reynolds, 2003), word-of-mouth (Maxham and Netemeyer, 2002), and trust (Morgan and Hunt, 1994). According to Churchill nomological validity represents the correlation between the measure and other related constructs according to theory. The reliability of the chosen scales will be examined by composite reliability coefficient and confirmatory factor analysis. The findings of these tests will result in the final EXQ scale.